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April 13, 2006

VIA FACSIMILE NO. 538-3853

Harvey M. Demetrakopoulos, Esq.  
Shim & Chang  
Melim Building  
333 Queen St., Suite 900  
Honolulu, Hawaii 96813

Re: *Tiara Engle and Portner Orthopedic Rehabilitation,  
Incorporated v. Liberty Mutual Fire Insurance Company;*  
Civil No. 04-00256 (BMK)

Dear Mr. Demetrakopoulos:

Thank you very much for taking the time to discuss Liberty Mutual's responses to Plaintiffs' requests for production of documents. Liberty Mutual's further responses are below.

I. Plaintiffs' First Request for Production of Documents

Requests Nos. 1, 2 and 6

Liberty Mutual will produce additional documents regarding Ms. Engle's claim, including the applicable policy, next week.

Request No. 3

In addition to our unresolved concerns over release of confidential health information concerning other insureds, Liberty Mutual does not have this information readily available. Actually producing these documents would require having Liberty Mutual's Home Office prepare a spreadsheet detailing every payment made to Dr. Lau. Assuming the payments are cross-referenced to specific claim numbers, Liberty Mutual would then have to send the list of claim numbers to its storage facility in Massachusetts, retrieve all corresponding claims files, and ship them to Honolulu. At that point, someone would have to physically go through each file to look for Dr. Lau's IME and

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record review reports. Liberty Mutual maintains that this process would be unduly burdensome, time consuming and expensive, and that the burden and expense of this proposed discovery outweighs its likely benefit.

Request No. 4

Liberty Mutual has one responsive document, a No-Fault handbook, and it will produce relevant portions of this handbook pursuant to a protective order. I will prepare a draft stipulated protective order for your review and comment.

Request No. 5

Liberty Mutual does not have a written contract with Dr. Lau.

Request No. 7

This request involves the same concerns and objections as Request No. 3, and would involve the same process in trying to respond to it.

II. Plaintiffs' Second Request for Production of Documents

Requests Nos. 3-6

In addition to its unresolved concerns over release of confidential health information concerning other insureds, Liberty Mutual does not have this information readily available. As with your requests regarding Dr. Lau, responding to these requests would be incredibly burdensome, time consuming and expensive. The only way for Liberty Mutual to respond would be to have its systems department in Boston prepare a report listing every payment to a provider for IMEs and/or record reviews since 2002. Presuming each of those payments is tied to a related claim number, Liberty Mutual would then have to retrieve each of those claim files from storage, ship those files to Honolulu, and then physically review every single file to identify claims resulting in denials based upon records reviews. Liberty Mutual maintains that the burden and expense of this proposed discovery outweighs its likely benefit.

Requests Nos. 7-10

In addition to its unresolved concerns over release of confidential health information concerning other insureds, Liberty Mutual does not have this information readily available. Obtaining copies of all PIP denial forms based

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upon physical examinations would involve the same process as the foregoing requests. Liberty Mutual maintains that this process would be unduly burdensome, time consuming and expensive, and that the burden and expense of this proposed discovery outweighs its likely benefit.

Request No. 11

Liberty Mutual is unaware of any such documents.

Requests Nos. 12-15

As we discussed, much of this information is public information, and therefore obtainable from some other source that is more convenient, less burdensome and less expensive. Any non-public information also carries with it concerns over privileged information and confidential health information. To produce this information itself, Liberty Mutual would have to create a spreadsheet of payments made to defense counsel, then contact those defense attorneys and review all of their Liberty Mutual files for responsive information. Liberty Mutual maintains that this process would be unduly burdensome, time consuming and expensive, and that the burden and expense of this proposed discovery outweighs its likely benefit.

Requests Nos. 16-17

Liberty Mutual has one responsive document, a No-Fault handbook, and it will produce relevant portions of this handbook pursuant to a protective order. I will prepare a draft stipulated protective order for your review and comment.

Requests Nos. 18-19

Liberty Mutual has not asserted the advice of counsel defense.

Requests Nos. 20-23

Liberty Mutual's personnel files are maintained in Massachusetts. We will obtain and review those files for documents relating to bonuses, raises, incentives, gifts, grants, rewards, prizes, pay increases, recognition, promotions and/or anything of value provided as a result of reducing or lessening PIP claim payments, PIP expenditures, PIP losses, or PIP payments during the referenced time period.

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Request No. 24

Liberty Mutual has one responsive document, a No-Fault handbook, and it will produce relevant portions of this handbook pursuant to a protective order. I will prepare a draft stipulated protective order for your review and comment.

Request No. 25

Liberty Mutual is willing to compile a list of the doctors encompassed by your request and will provide you with these names. Absent these doctors' consent, however, Liberty Mutual cannot release the remaining requested information.

Requests Nos. 26 -31

As we discussed, Liberty Mutual will look for a responsive document indicating the amount of PIP benefits paid in each referenced year.

Request No. 32

Liberty Mutual is unaware of any such documents.

Request No. 33

Liberty Mutual is unaware of any documents summarizing these amounts paid.

Request No. 34

As we discussed, Liberty Mutual will look for a responsive document indicating the amount of PIP premiums paid in each referenced year.

Request No. 35

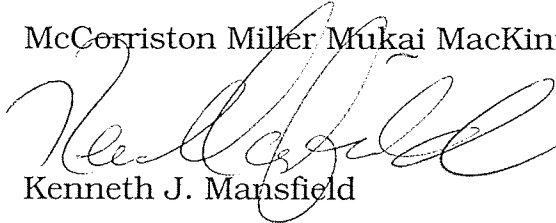
Liberty Mutual's advertising is handled at a national level. Therefore, there are no responsive documents for Hawaii alone.

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If you have any further questions or comments, please do not hesitate to contact me. Thank you for your ongoing courtesy and cooperation on this case.

Very truly yours,

McCorriston Miller Mukai MacKinnon LLP



Kenneth J. Mansfield

KJM:rlr